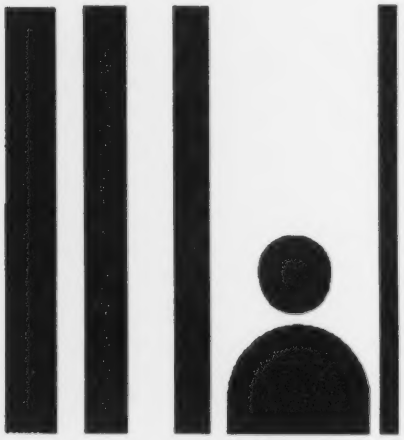
National Parole Board
Performance Report



For the period ending
March 31, 2007

Hon. Stockwell Day, P.C., M.P.
Minister of Public Safety

TABLE OF CONTENTS

SECTION I: OVERVIEW 3

1. Chairperson's Message 3
2. Management Representation Statement 4
3. Reason for Existence 5
4. Performance Summary 6
5. Link to Government of Canada Outcome Areas 8
6. Overall Description of NPB Performance 8
7. Operating Environment and Context 9

SECTION II: ANALYSIS BY STRATEGIC OUTCOME 11

1. Quality Conditional Release Decisions 11
2. Open and Accountable Conditional Release Processes 16
3. Quality Pardon Decisions 20

SECTION III: SUPPLEMENTARY INFORMATION 23

1. Structure for Program Delivery 23
2. Partnership for Program Delivery 23
3. Financial Performance Overview 24
4. Financial Statements 30

SECTION IV: OTHER ITEMS OF INTEREST 44

1. Legislation Administered by the National Parole Board 44
2. Contacts 44

Note: (HL)* denotes a hyperlink to NPB's web-site

Section I: Overview

1. Chairperson's Message

Public safety is the National Parole Board's primary objective. The Board achieves this objective through quality conditional release and pardon decisions that result in the safe reintegration of offenders in the community. Our pursuit of quality decision-making is challenged constantly by critical factors in our work environment.

For example, the federal offender population has become more difficult, characterized by a greater prevalence of violence, longer criminal histories, more frequent gang affiliations and more serious substance abuse problems. This trend has added complexity to our conditional release decision-making responsibilities. Greater complexity in decision-making for a "harder" offender population has been accompanied by heavy workload pressures in all areas of conditional release. Workloads related to pardon applications have also risen sharply. In addition, the Board must operate in an environment of zero-tolerance for error - an environment in which no offence by parolees is considered acceptable. This perspective is understandable, given the serious consequences of re-offending for victims and the community. In this challenging environment, quality decision-making in support of public safety demands a commitment to continuous improvement in all aspects of program delivery. Measures for continuous improvement ensure that NPB has:

- quality information for decision-making;
- quality decision policies and processes; and
- quality decision-makers.

The Board's Performance Report (DPR) for 2006/07 documents both program results and efforts for continued improvement. Data in the report indicate that each year one in one hundred releases on parole result in a new violent offence. In fact, over the past decade, the annual member of convictions of parolees for violent offences has declined by more than 70%. Information for pardons illustrates similar results, with the vast majority of pardon recipients (96%) remaining crime free in the community.

With respect to continuous improvement, the DPR provides information on lessons learned for each of NPB's three program activities. This information identifies issues and outlines action plans that will integrate improvements with ongoing operations. Plans for improvement propose wide-ranging action, including measures to:

- strengthen information on mental health issues for offenders as it relates to risk assessment and parole decision-making;
- provide victims with a more effective voice in corrections and conditional release processes; and
- establish sustainability for the pardon program by increasing efficiency and effectiveness in the processing of pardon applications.

I am confident that the Board's commitment to rigorous performance monitoring and continuous improvement will ensure that it continues to produce solid results and strengthen its commitment to public safety.

Mario Dion
Chairperson, National Parole Board

2. Management Representation Statement

I submit, for tabling in Parliament, the 2006/07 Departmental Performance Report (DPR) for the National Parole Board. This document has been prepared based on the reporting principles contained in the Guide for the Preparation of Part III of the 2006-2007 Estimates: Reports on Plans and Priorities and Departmental Performance Reports:

- It adheres to the specific reporting requirements outlined in Treasury Board Secretariat guidance;
- It uses Strategic Outcomes and Program Activity Architecture that were approved by Treasury Board
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results pursued and achieved with the resources entrusted to NPB; and
- It reports finances based on approved numbers from the Estimates and Public Accounts of Canada.

Mario Dion
Chairperson, National Parole Board

3. Reason for Existence

The National Parole Board is an independent administrative tribunal responsible for making decisions about the timing and conditions of release of offenders to the community on various forms of conditional release. The Board also makes pardon decisions, and recommendations respecting clemency through the Royal Prerogative of Mercy (RPM).

Legislation governing the Board includes the *Corrections and Conditional Release Act (CCRA), the Criminal Records Act (CRA),* and the *Criminal Code*. The *CCRA* empowers the Board to make conditional release decisions for federal offenders and offenders in provinces and territories without parole boards. In addition, the Board has extensive legislated responsibilities related to openness and accountability, including information for victims of crime, observers at hearings, access to NPB's registry of decisions, public information and investigation of tragic incidents in the community. The *CRA* authorizes the Board to grant or revoke pardons for convictions under federal acts or regulations. The Governor General or the Governor in Council approves the use of the RPM for those convicted for a federal offence, following investigations by the Board, and recommendations from the Minister of Public Safety.

Mission and Values

The National Parole Board, as part of the criminal justice system, makes independent, quality conditional release and pardon decisions and clemency recommendations. The Board contributes to the protection of society by facilitating, as appropriate, the timely integration of offenders as law-abiding citizens.

The Mission establishes four core values:

- *dedication to the attainment of a just, peaceful and safe society;*
- *respect for the dignity of individuals and the rights of all members of society;*
- *commitment to openness, integrity and accountability; and*
- *belief that qualified and motivated individuals are essential to achieving the Mission.*

Total Financial Resources 2006/07

Planned	Authorities	Actual
$43,057,000	$45,313,122	$43,346,026

Total Human Resources 2006/07 (FTE)

Planned	Actual	Difference
465	416	49

4. Performance Summary

Accountability Framework	Spending 2006/07	
***Strategic Outcome**: Quality conditional release decisions which contribute to public protection through the safe reintegration of offenders in the community* ***Program Activity:** Quality Conditional Release Decisions (For details see pages 11 to 16.)*	Planned Spending Actual Spending Variance FTE used	$ 33,131,000 $ 33,962,013 $ (831,013) 314
2006/07 Priorities / Commitments	**Results**	
• Effective management of legislative responsibilities related to conditional release decision-making. Key indicators include: ➢ outcomes of release on parole; ➢ numbers/rates of convictions for violent offences for offenders on parole; ➢ post-warrant expiry re-offending and return to a federal penitentiary.	• Completion of 17,949 conditional release reviews (federal and provincial offenders): ➢ 94% of parole releases – no new offence. 99% - no new violent offence; ➢ Annual convictions for violent offences by parolees down 72% since 1996/97; ➢ 9 in 10 offenders who reach warrant expiry on full parole do not return to a federal penitentiary. • Preparations completed for NPB to assume responsibility for parole decision-making for provincial offenders in British Columbia.	
• Support for the development of legislative and policy proposals to strengthen the effectiveness of corrections and conditional release in contributing to public safety. • Improve information management in support of NPB's conditional release responsibilities through development and implementation of the Conditional Release System (CRS).	• NPB assessed proposals for reform of the *CCRA* and sentencing practices and participated in discussions regarding the impacts and effects of potential changes. • NPB reached an agreement with CSC in which the Board will set direction and identify user needs for the system and CSC will lead the technical development. • **Performance status: successfully met.**	
Accountability Framework	**Spending 2006/07**	
***Strategic Outcome**: Open and accountable conditional release processes that ensure active involvement and engagement of victims and the public before and after conditional release decisions are made.* ***Program Activity**: Conditional Release Openness and Accountability (For details see pages 16 to 19).*	Planned Spending Actual Spending Variance FTE used Note: actual spending was $1.1 million less than planned spending primarily as a result of funding related to victims of crime that was placed in a frozen allotment pending changes to the CCRA.	$ 7,668,000 $ 6,561,010 $ 1,106,990 64

2006/07 Priorities / Commitments	Results
• Effective management of legislative responsibilities, related to open and accountable conditional release processes. Key indicators include: the timeliness and quality of information and assistance provided and client satisfaction as measured by surveys of clients and stakeholders.	• NPB dealt with 21,434 contacts with victims and 2,055 observers at hearings, and distributed 5,871 decisions from the decision registry. Feedback from victims indicates that the vast majority (over 90%) are satisfied with the quality and timeliness of information and assistance provided by NPB. • To provide victims with a more effective voice in the justice system, NPB developed plans to enhance victims' access to information about parole and related matters; improve voice amplification equipment for victims who wish to observe or read a statement at NPB hearings; provide simultaneous translation for victims at hearings; increase outreach to victims, particularly in Aboriginal and northern communities; and establish a national training plan for NPB staff involved with victims. • **Performance status: successfully met.**
Accountability Framework	**Spending 2006/07**
***Strategic Outcome**: Quality pardon decisions and clemency recommendations which contribute to public protection and support the process of rehabilitation.* ***Program Activity**: Pardon Decisions, Clemency Recommendations (For details see pages 20 to 22)*	Planned Spending $ 2,258,000 Actual Spending $ 2,823,003 Variance $ (565,003) FTE used 38
2006/07 Priorities Commitments	**Results**
• Effective management of legislative responsibilities related to the processing of pardon applications, including measures to enhance productivity. Key indicators include the average time required to process pardon applications and the numbers and rates of pardons revoked annually.	• 14,851 pardon applications processed. Average process time 13 months, (cases involving summary convictions - 5 months). • 96% of all pardons awarded remain in force. • **Performance status: partially met.**

Accountability Framework	Spending 2006/07
The following priority supports all three of NPB's strategic outcomes and program activities	During the year, NPB expended approximately $200,000 and 1 FTE on this priority. Those costs have been accounted for in the Board's three strategic outcomes and related program activities.
2006/07 Priorities Commitments	**Results**
• Integrated human resource and business planning to support effective program delivery and modernization of human resource management.	• In 2006/07, NPB developed a human resource plan that identified potential employee departures as a result of retirement for a 5 year period beginning in 2006. The Board then identified critical positions for which succession planning was required to ensure proper knowledge transfer and mentoring for incoming employees. Succession plans also address issues related to diversity, employment equity, official languages, and continuous learning. • **Performance status: successfully met.**

5. Link to Government of Canada Outcome Areas

The federal government has identified "safe and secure communities" as a key outcome area. NPB contributes to federal efforts for sustaining safe and secure communities through all aspects of its program delivery. Public safety is the Board's primary objective, as specified in the *CCRA* and reinforced in the Board's Mission, policies, training and operations. In this context, the Board's strategic outcomes, program activities, performance measures, plans and priorities are designed to strengthen and report on the Board's capacity for quality conditional release and pardon decisions, leading to the safe reintegration of offenders in the community.

6. Overall Description of NPB Performance

Information in this report demonstrates that the National Parole Board satisfactorily achieved the commitments and objectives identified in its Plans and Priorities for 2006/07. Data in the report illustrate that parole continues to contribute to public safety. More than 90% of all parole releases do not result in a new offence and 99% do not result in a new violent offence. Information on re-offending after completion of sentence illustrates that 88% of offenders who reach the end of their sentence on parole do not return to a federal penitentiary. It should be noted, however, that rates of re-offending for these offenders would be higher if provincial offences were also considered. NPB does not have the capacity to track provincial re-offending after warrant expiry. Similarly, information on pardons indicates that 96% of all pardons awarded remain in force, demonstrating that most pardon recipients remain crime free in the community.

Feedback from victims, observers at hearings and those who seek access to the Board's registry

of decisions indicate that most of these individuals (e.g. over 90% of victims) were very satisfied with the timeliness and quality of information and assistance that NPB provided. This does not mean that they always agreed with the Board's decisions on conditional release; however, it illustrates that they were treated with respect by NPB and that they recognize the professionalism and thoroughness that Board members and staff bring to their work.

In the area of pardons, the Board did encounter a backlog of 20,000 of pardon application as a result of sudden and sharp increases in the volume of pardon applications received. In response, the Board developed a detailed business plan to eliminate the backlog of applications and create long-term sustainability for the pardon program.

7. Operating Environment and Context

NPB works in a complex environment, demanding effective support for government priorities, careful assessment of issues across the justice system, thoughtful consideration of public concerns in a dynamic community context, and rigorous pursuit of innovation and improvement to meet heavy workloads. The Board delivers two legislatively based programs – conditional release and pardons and clemency. NPB also manages a range of internal services that provide critical support for program delivery. The conditional release area is, by far, the most complex and resource intensive, accounting for more than 90% of annual program expenditures. Program delivery is labour-intense. Salary costs amount to about 80% of program expenditures each year. Most of the remaining expenditures cover essential costs such as Board member travel to parole hearings. The high proportion of resources devoted to legislative responsibilities seriously constrains resource flexibility. Management of heavy and increasingly complex workloads within budget, consistent with the principle of public safety, presents a constant challenge

Conditional Release

NPB's workloads are shaped by factors beyond its control. Legislation governing the Board (CCRA) is prescriptive, specifying when and how the Board must conduct its business (e.g. when to conduct parole hearings). In addition, workloads are driven by the actions of offenders, victims and the community. In concrete terms, this means that NPB must deal with high workload volumes, involving critical issues of public safety, in tight timeframes, amid intense public scrutiny. For example, over the past five years, as the federal offender population remained relatively stable, NPB completed an average of 20,000 conditional release reviews per year for federal offenders. Recent information from CSC indicates that the federal population is increasing. As a result, the Board's workloads and resource needs are expected to increase. Parole reviews for provincial offenders in the provinces/territories without parole boards usually range from 900 to 1,200 per year. This total will rise in 2007/08, as the Board assumes responsibility for parole decision-making for provincial offenders in British Columbia.

The Board must also deal with growing complexity in conditional release decision-making, as reflected in three important trends. The first is the "hardening" of the federal offender population characterized by longer criminal histories, greater prevalence of violence, more gang affiliations, and more serious substance abuse problems. The second trend involves the shift toward shorter federal prison sentences. A more difficult offender population with shorter sentences (and less time to benefit from programs/treatment) challenges NPB's work to assess factors related to safe reintegration in the community. The third trend is the need for innovative and effective decision processes such as elder-assisted and community-assisted hearings which

recognize the needs of Aboriginal offenders, and the increasing numbers of offenders from ethnoracial communities.

The openness and accountability provisions of the CCRA continue to present important challenges for the Board. Workloads in these areas have grown steadily since introduction of the CCRA in 1992. In 2006/07, the Board had over 21,000 contacts with victims, more than 2,000 observers at hearings and distributed more than 5,800 decisions from the decision registry. Growth is expected to continue. In addition, there has been a trend toward greater complexity in work as victims, the media, and the public have demonstrated greater interest in parole and related matters. As with conditional release decision-making, quality program delivery in this area is critical, given its implications for public safety and public confidence.

Government announcements for reform of criminal justice and corrections have important implications for NPB planning. Proposals to amend the CCRA and to reform sentencing practices (e.g. mandatory minimum sentences) would have a profound impact on NPB roles, responsibilities, resource needs and operations which must be assessed carefully.

Pardons

Workload growth has created a serious situation for the pardon program. Historically, the Board received 15,000 to 20,000 pardon applications annually. In the past two years, however, application volumes rose sharply to over 27,900 in 2005/06 and to 26,500 in 2006/07. As a result, the Board now faces a backlog of about 20,000 pardon applications. Factors contributing to growth in annual volumes of pardon applications include:

- greater scrutiny by government, private and voluntary sectors of potential employees;
- perceptions by Canadians of the increased value of a pardon for employment, and travel;
- active advertising campaigns by private sector organizations involved in pardons;
- RCMP progress in clearing the backlog of criminal records checks; and
- the increasing number of people eligible to apply for a pardon - the current estimate is 1.5 million people which grows by 60,000 annually.

The Board must clear the backlog of pardon applications and put in place measures to create long-term sustainability for the pardon program. These measures are critical, given the expectation that pardon applications will continue to grow and reach 30,000 in 2007/08.

Internal Services

The Board must ensure the provision of internal services that address the challenges of modern management, comprising sound financial processes and systems, effective human resource planning, and thorough program monitoring (management review, audit, evaluation) to support effective stewardship of resources and quality program delivery. The Board faces two key challenges in this area. The first is the need for integrated human resource and business planning that will sustain quality program delivery despite numerous retirements in key positions throughout the Board. The second involves the need for strategic use of information systems and technology to ensure effective information management as a base for quality program delivery.

Section II: Analysis by Strategic Outcome

Section II provides information on performance in 2006/07 based on NPB's strategic outcomes and Program Activity Architecture (PAA). The strategic outcomes and PAA reflect the Board's legislative responsibilities and the areas of performance in which Parliament and the public most frequently express interest.

Data Sources and Reliability

Information for this section was extracted from NPB files and reports, a survey of victims of crime, and two major automated systems – the Offender Management System (OMS), and the Pardons Application Decision System (PADS). Data from OMS and PADS, as well as data entry and data collection activities are subject to rigorous review. If data errors are detected, they are corrected. Through these monitoring processes, the Board strives to produce information that is timely and accurate.

1. Quality Conditional Release Decisions

Strategic Outcome: Quality conditional release decisions which contribute to public protection through the safe reintegration of offenders in the community.

Program Activity: Quality Conditional Release Decisions

Program Activity Description: Case review and quality decision-making by Board members; staff support for decision-making; training to ensure professionalism in all aspects of decision-making; and policy development and advice to guide decision-making.

Effectiveness for this activity is assessed by monitoring the outcomes of offenders on parole. Outcomes of release provide a complete picture of performance. Completion of a release by an offender without return to an institution is an indicator of success. Revocation of release for a breach of the conditions of release is not a positive result for the offender, but from a community perspective it is a positive intervention to reduce risk. Releases which result in a new offence are a negative result. Additional information is provided on violent re-offending by parolees as these incidents have the most serious consequences for the community. Further, the section reports on post-warrant expiry re-offending to provide information on the long-term effectiveness of parole in contributing to public safety.

Financial Resources 2006/07

Planned Spending	Authorities	Actual Spending
$ 33,131,000	$ 34,565,755	$ 33,962,013

Human Resources 2006/07 (FTE)

Planned	Actual	Difference
356	314	42

In 2006/07, the Board completed 17,949 conditional release reviews. Work to prepare for and conduct these reviews, accounted for $33.9 million in expenditures or 78% of all NPB expenditures for the year.

Progress Towards Commitments Made in Report on Plans and Priorities 2006/07		
Program Activity	**Commitments Made**	**Recent Progress**

• Quality conditional release decisions.	• Effective management of legislative responsibilities, related to conditional release decision-making.	• 17,949 conditional release reviews completed:
		  • 17,271 for federal offenders;
		  • 678 for provincial offenders.
		• Outcomes of release indicate that 94% of parole releases do not result in a new offence and 99% do not result in a new violent offence
		• Plans were developed to enable NPB to assume parole decision-making responsibilities for provincial offenders in British Columbia following the province's decision to discontinue operation of its board of parole on March 31, 2007.

	• Improve information management in support of conditional release responsibilities through development and of an automated Conditional Release System.	• Project planning continued. Agreement reached with CSC to take the lead in technical aspects of system development. • **Performance status: successfully met.**

The Board uses three indicators related to the performance of parolees in the community:

- outcomes of conditional release;
- convictions for violent offences; and
- post-warrant expiry recidivism.

Information is also provided for offenders on statutory release (SR), although these offenders are released by law, and not at the discretion of the Board.

Outcomes of Conditional Release (HL)*

Information on outcomes for **federal** offenders under supervision indicates that:

- 78% of releases on parole (day and full) are completed successfully;
- 14% of releases on parole are revoked for a breach of condition;
- 8% of releases on parole end in a new offence, and about 1% ends in a new violent offence;
- 58% of releases on SR are completed successfully, 28% are revoked for a breach of conditions, 13% end with a new offence and 3% end in a new violent offence.

Recent information on the outcomes of release (Table 1) is consistent with long-term trends. Care should be taken, however, with information for 2006/07, as numbers could change as cases make their way through the court process.

TABLE 1 - OUTCOMES OF FEDERAL CONDITIONAL RELEASE

RELEASE TYPE/YR.	SUCCESSFUL COMPLETION		REVOCATION For Breach Of Condition		TOTAL NO RECIDIVISM		RECIDIVISM (Revocation with Offence)				TOTAL RECIDIVISM	
							Non Violent		Violent			
Day Parole	#	%	#	%	#	%	#	%	#	%	#	%
2004-05	2548	82.1	398	12.8	2946	94.9	136	4.4	22	0.7	158	5.1
2005-06	2483	81.7	397	13.1	2880	94.8	138	4.5	20	0.7	158	5.2
2006-07	**2527**	**83.5**	**363**	**12.0**	**2890**	**95.5**	**118**	**3.9**	**14**	**0.6**	**135**	**4.5**
Full Parole	#	%	#	%	#	%	#	%	#	%	#	%
2004-05	1050	72.8	254	17.6	1304	90.4	117	8.1	21	1.5	138	9.6
2005-06	984	70.7	264	19.0	1248	89.7	127	9.1	17	1.2	144	10.3
2005-06	**924**	**70.5**	**259**	**19.8**	**1183**	**90.3**	**120**	**9.2**	**7**	**0.5**	**127**	**9.7**
SR	#	%	#	%	#	%	#	%	#	%	#	%
2004-05	3140	58.0	1612	29.8	4752	87.7	529	9.8	136	2.5	665	12.3
2005-06	3243	58.6	1645	29.7	4888	88.4	516	9.3	128	2.3	644	11.6
2006-07	**3149**	**58.1**	**1663**	**30.7**	**4812**	**88.8**	**489**	**9.0**	**117**	**2.2**	**606**	**11.2**

Information on the outcomes of release for **provincial offenders** in the Atlantic and Prairies regions where NPB exercised parole decision-making authority for these offenders indicates that over the past ten years, 79% of releases were completed successfully, 3% resulted in a new offence, and 0.2% resulted in a new violent offence. In real numbers, 14 of 5,223 parole releases for provincial offenders in the last five years, resulted in a new violent offence.

Offenders with Life Sentences for Murder (HL)*

"Lifers" represent a visible and growing segment of the federal offender population. In 2006/07 they represented 18% of the federally incarcerated population and 30% of day and full parolees. Offenders with life sentences are not entitled to statutory release. Successful completion rates for day parole for offenders with life sentences are as high as, or higher than rates for other groups of offenders, and rates of re-offending are lower. For example, over the past 10 years, 92% of day paroles for lifers have been successfully completed compared with 81% for offenders serving a determinate sentence. Table 2 provides information on outcomes for day parole by offence of conviction in 2005/06 and 2006/07. The group most likely to re-offend is the property offence group, followed by offenders incarcerated for a violent but non-sexual offence.

TABLE 2 - OUTCOMES for FEDERAL DAY PAROLE by OFFENCE of CONVICTION (%)												
	Murder		Sex Offence		Violent Non-Sex		Drugs		Property		Total	
Outcome	05/06	06/07	05/06	06/07	05/06	06/07	05/06	06/07	05/06	06/07	05/06	06/07
Successful Completions	93.3	92.6	92.3	96.0	76.4	79.5	89.5	87.8	70.0	73.9	81.7	83.5
Revoked for breach of conditions	6.7	6.6	7.3	3.5	18.6	15.2	8.2	9.3	16.2	17.0	13.1	12.0
Revocations with offence												
Non-violent	0.0	0.6	0.5	0.6	3.7	3.9	2.3	3.0	12.9	8.9	4.5	3.9
Violent	0.0	0.2	0.0	0.0	1.4	1.5	0.0	0.0	0.9	0.2	0.7	0.6
Total	**0.0**	**0.8**	**0.5**	**0.6**	**5.1**	**5.3**	**2.3**	**3.0**	**13.8**	**9.1**	**5.2**	**4.5**

Offenders serving life sentences for murder and released on full parole, remain on parole for life. Long-term follow-up for this group indicates that about 8% reoffend. Since 1994/95, 2,024 offenders with life sentences for murder have had 2,257 full parole supervision periods. By March 31, 2007 1,489 (66%) of these supervision periods were still active. The outcomes of the remaining cases were as follows:

- 316 (14%) offenders had died while on full parole.
- 293 (13%) were revoked for a breach of conditions.
- 113 (5%) were revoked for a non-violent offence.
- 68 (3%) were revoked as a result of a violent offence.

Convictions for Violent Offences - Federal Offenders (HL)*

- From 1996/97 to 2006/07, the annual number of convictions for violent offences by day and full parolees declined by 72%.
- Rates of conviction per 1,000 parolees also declined sharply (from 37 to 15 for day parole and from 13 to 5 for full parole).
- Comparison of violent conviction rates and violent crime rates in Uniform Crime Reports shows that full parolees are no more likely than the general public to commit a violent crime.

TABLE 3 – CONVICTIONS FOR VIOLENT OFFENCES BY RELEASE TYPE AND THE RATES OF CONVICTION PER 1000 OFFENDERS UNDER SUPERVISION							
YEAR	DAY PAROLE (convictions)	RATES PER 1,000	FULL PAROLE (convictions)	RATES PER 1,000	STATUTORY RELEASE (convictions)	RATES PER 1,000	TOTAL CONVICTIONS
1996/97	38	37	54	13	159	67	252
1997/98	37	30	48	12	157	63	243
1998/99	35	23	37	9	138	55	210
1999/00	57	36	44	10	160	57	260
2000/01	35	25	37	8	167	60	239
2001/02	32	25	33	8	149	52	214
2002/03	22	17	26	6	148	51	196
2003/04	20	15	21	5	149	50	190
2004/05	22	18	27	7	136	45	185
2005/06	20	15	21	5	128	424	169
2006/07*	**17**	**13**	**9**	**2**	**117**	**37**	**143**

* *Figures for violent convictions may fluctuate during the 12 to 18 months following fiscal year end as offenders proceed through the courts.*

Post Warrant Expiry Reoffending (HL)*

Post-warrant expiry reoffending information is based on readmissions to a federal institution for offenders who completed their sentence on full parole or SR or were incarcerated to the end of their sentence, between 1991/92 and 1996/97. Long-term follow-up indicates that about 26% of these offenders have returned to a federal penitentiary. There are, however, differing rates of reoffending for offenders within this group:

- 12% of offenders who reached warrant expiry on full parole have returned to a federal institution;
- 32% of offenders who reached warrant expiry on SR, have returned to a federal institution;
- 38% of offenders who remained incarcerated to warrant expiry (e.g. detained), have returned to a federal institution.

Conditional release is founded on the principle that gradual release, based on effective programs and treatment, quality risk assessment, and effective community supervision enhances community safety. Information on post-warrant expiry reoffending reinforces this theory, suggesting that the detailed process of case preparation and risk assessment used by NPB and CSC for parole decision-making is effective in identifying those offenders most likely to remain free from violent crime in the community. Post-warrant expiry reoffending, as reported, deals only with federal reoffending (i.e. a new sentence of two years or more). If all new offences (e.g. fines, sentences of less than two years) were considered, the rate of reoffending would increase. NPB does not have access to this information at this time.

Lessons learned-quality conditional release decisions: The Board carried-out a series of case audits in 2006/07 to assess issues related to conditional release policies, processes, training and risk assessment. As a result, NPB developed plans for improvement in several areas, including:

- training on psychopathy, the behaviour of psychopaths and the use of actuarial information in risk assessment for conditional release decision-making;
- information for decision-making for accelerated parole review cases, the quality of case preparation for these cases and training on legislative requirements;
- the implications of decisions to suspend an offender's release and then cancel the suspension, and revocations of release for subsequent risk assessment for release; and
- the need for better information and training related to mental health issues for offenders.

2. Open and Accountable Conditional Release Processes

Strategic Outcome: Open and accountable conditional release processes that ensure active involvement and engagement of victims and the public before and after conditional release decisions are made.

Program Activity: Conditional Release Openness and Accountability.

Program Activity Description: Information for victims of crime; assistance for observers at hearings and those who seek access to NPB's decision registry; public information; and investigation of incidents in the community.

This program activity is designed to ensure that the Board operates in an open and accountable manner, consistent with the provisions of the CCRA, and that it shares information effectively in support of public safety. Work in this area recognizes that NPB operates in a difficult environment in which timely sharing of accurate information is fundamental to effective partnership and public trust. Results for this area are assessed by monitoring the timeliness of information shared, by conducting surveys of those who receive information and assistance from the Board (e.g. victims), and by conducting relevant management reviews and investigations.

Financial Resources 2006/07

Planned Spending	Authorities	Actual Spending
$ 7,668,000	$ 7,853,576	$ 6,561,010

Note: actual spending was $1.1 million less than planned spending primarily as a result of funding related to victims of crime that was placed in a frozen allotment pending changes to the *CCRA*.

Human Resources 2006/07 (FTE)

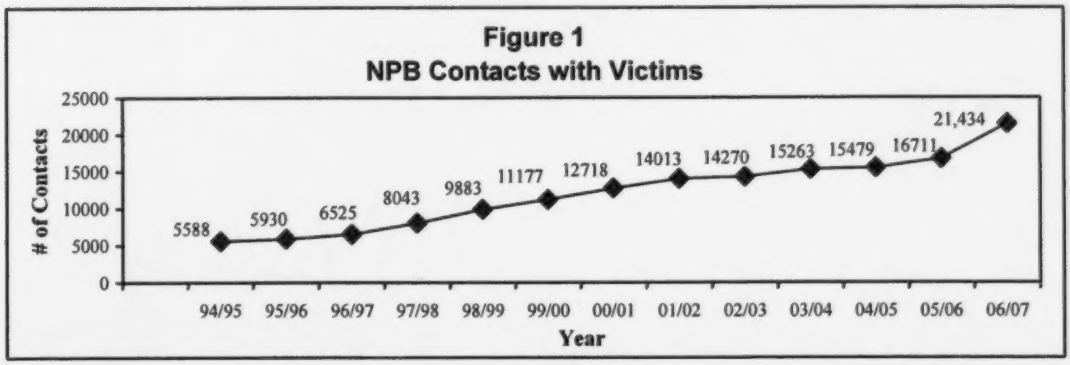
Planned	Actual	Difference
74	64	10

Progress Toward Commitments Made in Report on Plans and Priorities 2006/07		
Program Activity	**Commitments Made**	**Recent Progress**
• Conditional Release Openness and Accountability	• Effective management of legislative responsibilities related to open and accountable conditional release processes.	• 21,434 contacts with victims, 2,055 observers at hearings, distribution of 5,871 decisions from the decision registry. • NPB developed plans to provide victims with a more effective voice in the justice system through: improved access to information about parole; better voice amplification equipment in NPB hearings; simultaneous translation at hearings; enhanced outreach to victims, particularly in northern and Aboriginal communities; and improved training for NPB staff. • **Performance status: successfully met.**

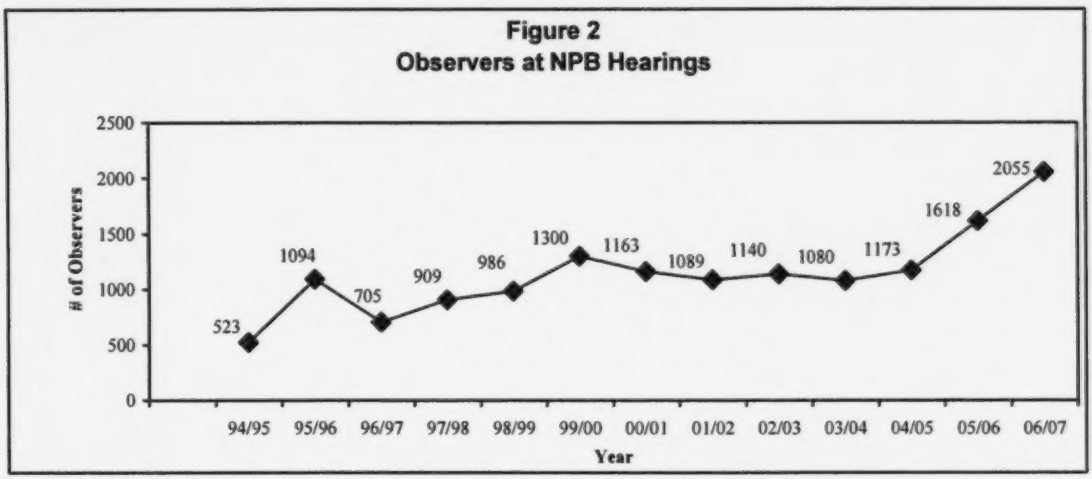
The CCRA requires the Board to provide information for victims of crime, allow observers at its hearings and provide access to its decisions through a registry of decisions. Performance reporting in this area has two components dealing with outputs and outcomes:

- the volume of NPB activity in response to demands for information/assistance (outputs); and
- the satisfaction of those who receive information and assistance from the Board (outcomes).

Contacts with Victims: In 2006/07, the Board had over 21,000 contacts with victims. Most were victims of violence, such as sexual assault, or the family of murder victims. The vast majority (95%) of victims surveyed in past years have expressed satisfaction with the quality and timeliness of information provided by NPB staff.



Observers at Hearings: The Board had 2,055 observers at its hearings in 2006/07, a 27% increase compared with 2005/06. This increase can be attributed to growing public awareness of the observer provisions of the *CCRA* and the federal fund to pay the travel costs for victims to attend NPB hearings. Most observers (90%) agreed that the hearing process is rigorous and that Board members are very thorough in reviewing information for decision-making.



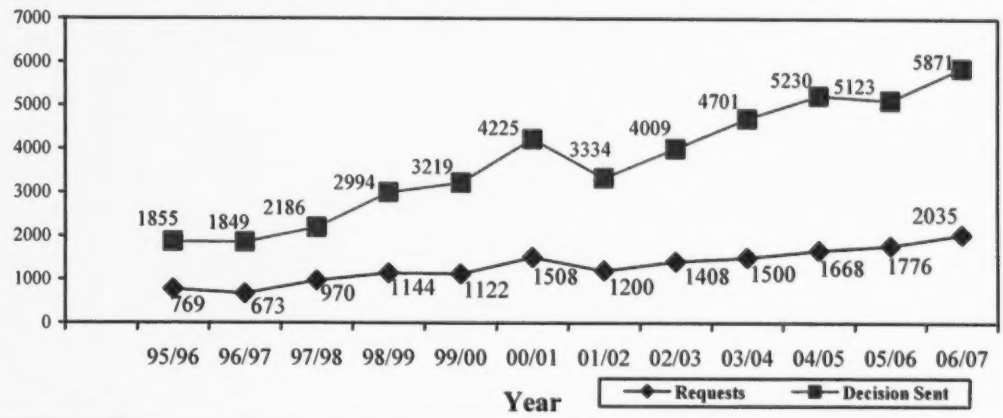
Victims' Presentations: In 2006/07, 252 victims made presentations at hearings. Most were family members of murder or manslaughter victims. The majority of presentations (85%) were in person. The remainder came in the form of audio or video tapes. There has been an increase in the number of victims making presentations at hearings which appears to be linked to the fund to pay travel costs for victims to attend NPB hearings.

Decision Registry: The *CCRA* permits access to specific NPB decisions and to decisions for research purposes through NPB's decision registry. For specific cases, any person who demonstrates an interest may, on written application to NPB, have access to the contents of the

registry. Information that would jeopardize the safety of a person, reveal the source of information obtained in confidence, or adversely influence the reintegration of the offender is deleted. For research purposes, people may apply to the Board for access to decisions and receive information after the decisions have been screened to remove all personal identifiers.

The CCRA does not define the contents of the "registry of decisions", or what constitutes demonstrating interest in a case; however, in keeping with the concepts of openness and accountability, the Board makes available the complete risk assessment and decision documentation of Board members. Individuals demonstrate an interest by writing to the Board to ask for access to the decision registry. In 2006/07, the Board released 5,871 decisions from the registry. Victims access the registry most frequently (36%), followed by media (30%).

Figure 3
Decision Registry Requests and Decisions Sent



Lessons learned - victims, observers and the decision registry: In April 2006, NPB completed a review of policy and operational issues related to victims, observers, and the decision registry. This review, along with the Board's previously completed surveys of victims, highlighted the need for innovation and improvement that will focus on:

- better information for victims, the public and the media on the Board's website and in print form;
- assessment of the use of video conferencing as a means to allow victims to observe hearings;
- provision of interpretation services for victims at NPB hearings under certain circumstances; and
- enhanced training for NPB staff.

These findings shaped NPB's contribution to the new federal initiative to provide victims with a more effective voice in the justice system.

3. Quality Pardon Decisions

Strategic Outcome: Quality pardon decisions and clemency recommendations which contribute to public protection and support the process of rehabilitation.

Program Activity: Pardon Decisions/Clemency Recommendations.

Program Activity Description: Case review and quality decisions to grant, deny or revoke pardons; support for pardon decision-making; development of pardons policy; collection of pardon revenues; and development of recommendations for clemency.

A pardon is a formal attempt to remove the stigma of a criminal record for people found guilty of a federal offence who, after satisfying their sentence and a specific waiting period, have shown themselves to be responsible citizens. A pardon is, therefore, a means to facilitate safe community reintegration. Assessment of results in this area considers efficiency (the average time required to process pardon applications) and effectiveness (rates of revocation of pardons).

Financial Resources 2006/07

Planned Spending	Authorities	Actual Spending
$ 2,258,000	$2,893,791	$2,823,003

Human Resource 2006/07 (FTE)

Planned	Actual	Difference
35	38	(3)

Historically, the Board has received about 20,000 pardon applications per year; however in 2005/06 and 2006/07, applications rose to 27,900 and 26,800 respectively. This sudden increase produced a backlog of 20,000 applications and demanded effective action to enhance productivity in the short-term and to establish sustainability for the pardon program in the long-term. NPB charges a $50.00 user fee for the processing of pardon applications. The Board may access 70% of revenues collected, to an annual maximum of $ 410,000. The RCMP has access to 30% of user fees collected. Fees do not represent the full cost of a pardon. The fee is set at $50.00 so as not to serve as an impediment for Canadians who wish to benefit from a pardon.

Progress Toward Commitments Made in Report on Plans And Priorities 2006/07		
Program Area	**Commitments Made**	**Recent Progress**
• Pardons	• Effective management of legislative responsibilities related to the processing of pardon applications, including measures to enhance productivity.	• 14,851 applications processed – average process time, 13 months. • 96% of all pardons issued/granted remain in force. • Plans developed to eliminate the backlog of applications and establish sustainability for the pardons program. • **Performance status: partially successful. NPB encountered a backlog of applications due to sudden workload increases; however, a plan has been developed to eliminate the backlog and create long-term sustainability for pardons.**

The *Criminal Records Act* (CRA) authorizes the Board to: grant pardons for offences prosecuted by indictment, if it is satisfied the applicant is of good conduct, and is conviction-free for five years; and issue pardons for summary convictions, following a conviction free period of three years. In 2006/07, the average processing time for all pardons was 13 months. For cases involving summary convictions only, the average process time was five months.

TABLE 4 – PARDONS GRANTED/ISSUED and DENIED by YEAR												
Decision	**2001/02**		**2002/03**		**2003/04**		**2004/05**		**2005/06**		**2006/07**	
	#	**%**	**#**	**%**	**#**	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Granted	10,725	63	7,204	49	8,761	55	17,800	78	3,951	46	7076	47
Issued	5,920	35	7,232	49	6,832	43	4,745	21	4,402	51	7672	52
Sub-Total	16,645	98	14,436	98	15,593	98	22,545	98	8,353	98	14,748	99
Denied	409	2	286	2	265	2	375	2	196	2	103	1
Total	17,054	100	14,722	100	15,858	100	22,920	100	8,549	100	14,851	100
Average Process Time	20 months		17 months		17 months		12 months		11 months		13 months	

The pardon revocation/cessation rate remains low (4%), demonstrating that most people remain crime free after receipt of a pardon. The *CRA* includes two categories of revocation. The first is for offences that the court dealt with summarily, or which could have been dealt with summarily. The Board reviews these cases and assesses the need to revoke. The second involves automatic

revocation for an indictable offence. For this category, the RCMP notifies the Board of the offence, and the pardon ceases to exist.

TABLE 5 - PARDON REVOCATIONS

	Cumulative Pardons Granted/Issued to Date	Pardons Revoked / Ceased during the Year	Cumulative Pardons Revoked/Ceased	Cumulative Revocation/Cessation Rate (%)
2001/02	276,956	463	8,378	3.03
2002/03	291,392	902	9,280	3.18
2003/04	306,985	1,314	10,594	3.45
2004/05	329,530	557	11,151	3.38
2005/06	337,883	456	11,607	3.43
2006/07	352,631	2397	14,004	3.97

Lessons learned – sustainability for the pardon program: Since its inception, the pardon program has faced heavy workloads that stretched resources to the limit. The emergence of a backlog of 20,000 applications in 2006/07 created serious challenges in terms of program effectiveness and public credibility. This backlog, the most recent in a series that the Board has encountered, highlighted the need for NPB to go beyond the temporary solutions that had been tried in previous years to a more comprehensive and multi-dimensional approach. In this context, the Board conducted an extensive review of the pardon program, leading to the development of a detailed business plan to eliminate the backlog in the short-term and establish sustainability for the program in the long-term. Key elements of the business plan include:

- policy refinement to strengthen program effectiveness and efficiency;
- process streamlining based on three simple criteria: eliminate the unnecessary; automate the routine; and focus employees on value-added work;
- productive use of technology to support case processing and decision-making;
- introduction of a "single officer" concept in which one pardon officer will deal with a case from start-to-finish, leading to issuance of a pardon or referral of the case to a Board member for decision. This approach will eliminate duplication of effort and reduce process times;
- effective human resource planning that will enable NPB to introduce a "single officer" concept, recruit and train a project team to eliminate the backlog of applications and provide sufficient staff to deal with 30,000 applications per year in the future;
- removal of the cap on the revenues that NPB can access each year to provide greater flexibility to cover costs of program delivery;
- establishment of service standards for the pardon program by April 1, 2009; and
- review of issues related to the user fee for pardons, including the amount of the fee and the conditions specifying when NPB is entitled to keep the fee.

Section III: Supplementary Information

1. Structure for Program Delivery

The Board carries-out its work through six offices across the country and the national office in Ottawa. The national office makes clemency recommendations and pardon decisions and develops related policies. It is also responsible for a range of activities related to conditional release, including investigations, appeal decisions, policy development, and Board member training. As well, the national office provides leadership for planning, resource management, communications, performance reporting and corporate services.

Conditional release decisions are made by Board members in the regions. Board members are supported by staff who schedule hearings, ensure that information for decision-making is received and shared with the offender, provide policy advice, and communicate conditional release decisions to the offender, CSC and others, as required. Staff in regions also provide information for victims, make arrangements for observers at hearings, and manage requests for access to the Board's decision registry.

2. Partnership for Program Delivery

Partnership is integral to effective NPB operations. As the Board's key partner, CSC provides information for NPB decision-making (from external sources, and internally generated). If the Board grants release, CSC supervises offenders in the community. Clearly, the Board shares accountability for "outcomes". When parolees succeed, "success" is the result of many players in the system, as well as the offender.

CSC and NPB Working Relationship - Conditional Release	
CSC Responsibilities for Offenders	**NPB Decision-Making Responsibilities**
• Care and custody. • Programs and treatment. • Work release, temporary absences (TA) (TA authority delegated by NPB in many cases).	
• Information for NPB decisions: external (e.g. police, courts); produced by CSC (e.g. programs/treatment, recommendations).	• Review of cases and decisions for: - TAs for specific groups (e.g. lifers); - the timing and conditions of release of offenders on day and full parole.
• Statutory release (SR) occurs by law at 2/3rds of sentence. Recommendations to NPB on the need for special conditions for SR.	• Decisions to impose special conditions on SR.
• Supervision of offenders released on TAs, parole and SR. Information for NPB post-release decisions.	• Post-release decisions (revoke or maintain release, revise conditions).
• Recommendations to NPB for detention of offenders past SR to warrant expiry.	• Detention decisions.
• Supervision of long-term supervision offenders (LTSO).	• Imposition of special conditions on LTSO.

The RCMP also works with the Board in the processing of pardon applications. The RCMP provides NPB with information on criminal histories, and periods of crime-free behaviour for pardon applicants. When the Board issues or grants a pardon, it notifies the RCMP which seals the pardoned record. In the case of pardon revocation, the Board and the RCMP share information to support NPB decision-making, and RCMP responsibilities for management of information within the Canadian Police Information Centre (CPIC).

3. Financial Performance Overview

The National Parole Board's total authorities, consisting of Main Estimates, and subsequent Supplementary Estimates were $45,313,122. This consisted of $40,319,029 in operating resources, and $4,989,891 for the Employee Benefit Plan.

Actual expenditures were $43,346,026 and resulted in a reported Public Accounts lapse of $1,965,433. This is a total lapse of approximately 4.3% of total authorities, indicating that the Board was able to manage its resources successfully for 2006/07.

The Board applied its resources to three program areas - quality conditional release decisions; open, accountable conditional release processes; and quality pardon decisions, clemency recommendations.

Financial Summary Tables

The financial tables presented in this section provide the following information on NPB:

- Total Main Estimates as reported in the *2006/07 Estimates*.
- Total planned spending at the beginning of the year, as reported in the *2006/07 Estimates: Report on Plans and Priorities*. This includes Main Estimates plus anticipated approvals planned through subsequent Supplementary Estimates exercises.
- Total authorities as approved by Parliament (Public Accounts of Canada for 2006/07).
- Total actual spending (Public Accounts of Canada for 2006/07).

Please note that the figures in the following tables have been rounded to the nearest thousand. Because of rounding, figures may not add to the totals shown.

Table 1: Comparison of Planned to Actual Spending (including FTEs)

This table offers a comparison of the Main Estimates, Planned Spending, Total Authorities and Actual Spending for the most recently completed fiscal year, as well as historical figures for Actual Spending.

($ thousands)	2004/05 Actual	2005/06 Actual	2006/07			
			Main Estimates	Planned Spending (1)	Total Authorities (2)	Total Actuals (2)
Quality conditional release decisions	30,897	32,704	33,131	33,131	34,566	33,962
Open, accountable conditional release processes	5,295	5,818	7,668	7,668	7,854	6,561
Quality pardon decisions, clemency recommendations	4,934	4,319	2,258	2,258	2,894	2,823
Total	**41,127**	**42,841**	**43,057**	**43,057**	**45,313**	**43,346**
Less: Non-respendable revenue	539	714	N/A	800	N/A	969
Plus: Cost of services received without charge *	4,207	4,966	N/A	6,100	N/A	5,263
Total Departmental Spending	**44,795**	**47,093**	**N/A**	**48,357**	**N/A**	**47,640**
Full-time Equivalents	**383**	**404**	**N/A**	**465**	**N/A**	**416**

1) from the 2006/07 Report on Plans and Priorities

2) from the 2006/07 Public Accounts

* Services received without charge usually include accommodation provided by PWGSC, the employer's share of employees' insurance premiums, Workers' Compensation coverage provided by Social Development Canada, and services received from the Department of Justice Canada.

Table 2: Resources by Program Activity in 2006-07

This table reflects how resources were used within National Parole Board by Program Activity.

($ thousands)

Budgetary	Program Activity			
Operating	**Quality conditional release decisions**	**Open, accountable conditional release processes**	**Quality pardon decisions, clemency recommendations**	**Total**
Main Estimates	33,131	7,668	2,258	43,057
Planned Spending	*33,131*	*7,668*	*2,258*	*43,057*
Total Authorities	34,566	7,854	2,894	45,313
Actual Spending	***33,962***	***6,561***	***2,823***	***43,346***

Table 3: Voted and Statutory Items

This table basically replicates the summary table listed in the Main Estimates. Resources are presented to Parliament in this format. Parliament approves the voted funding and the statutory information is provided for information purposes.

($ thousands)

Vote or Statutory Item	Truncated Vote or Statutory Wording	2006–07			
		Main Estimates	**Planned Spending (1)**	**Total Authorities (2)**	**Total Actuals (2)**
50	Operating expenditures	37,660	37,660	40,319	38,354
(S)	*Contributions to employee benefit plans*	5,397	5,397	4,990	4,990
(S)	*Refunds of amounts credited to revenues in previous years*	-	-	1	1
(S)	*Spending of proceeds from the disposal of surplus Crown assets*	-	-	3	3
	Total	**43,057**	**43,057**	**45,313**	**43,346**

1) from the 2006-07 Report on Plans and Priorities

2) from the 2006-07 Public Accounts

(S) indicates expenditures the Department is required to make that do not require an appropriation Act

Table 4: Services Received Without Charge

($ thousands)	Total Actuals 2006/07
Accommodation provided by Public Works and Government Services Canada	2,550
Contributions covering employer's share of employees' insurance premiums and expenditures paid by Treasury Board of Canada Secretariat (excluding revolving funds). Employer's contribution to employees' insured benefits plans and associated expenditures paid by TBS	2,414
Salary and associated expenditures of legal services provided by the Department of Justice Canada	297
Worker's Compensation coverage provided by Social Development Canada	2
Total 2006/07 Services received without charge	**5,263**

Table 5: Sources of Respendable and Non-respendable Revenue

Respendable Revenue

The Board does not have any Respendable Revenue.

Non-respendable Revenue

The Board is not allowed to respend these revenues. The Board has the authority to recover costs related to pardons. There is a $50.00 user fee for the processing of pardon applications which generated revenues of $969,000 in 2006/07. Of the $50.00, the Board can only access $35.00 of every fee, to a maximum of $410,000 per year.

			2006/07			
($ thousands)	Actual 2004/05	Actual 2005/06	Main Estimates	Planned Revenue	Total Authorities	Actual
Quality pardon decisions, clemency recommendations						
Pardon user fees	539	714	N/A	800	N/A	969
Total Non-respendable Revenue	**539**	**714**	**N/A**	**800**	**N/A**	**969**

Table 6: User Fees Act

				2006-07					Planning Years		
A. User Fee	**Fee Type**	**Fee-setting Authority**	**Date Last Modified**	**Forecast Revenue ($000)**	**Actual Revenue ($000)**	**Full Cost ($000)**	**Performance Standard**	**Performance Results**	**Fiscal Year**	**Forecast Revenue ($000)**	**Estimated Full Cost ($000)**
Pardons User fee ($50.00)	Other Products and Services	Treasury Board Decision T.B. #822475 (1995) T.B. #826954 (1999)	Fee introduced 1995, modified in 1999	410	410	To be determined (TBD)	Under Development	In 2006/07, the average process time for a pardon was 13 months.	2007–08 2008–09 2009–10	800 800 800	2,516 (1) 1,712 (1) 1,712 (1)
Fees charged for the processing of access requests filed under the Access to Information Act (ATIA)	Regulatory Service	*Access to Information Act*	1992	0	0*	362	Response provided within 30 days following receipt of request; the response time may be extended pursuant to section 9 of the ATIA. Notice of extension to be sent within 30 days after receipt of request. The Access to Information Act provides fuller details: http://lois.justice.gc.ca/en/A-1/.	Response times 100% within Performance Standard: Access to Information Act Total 16 requests: within 30 days = 13 requests 31-60 days = 2 requests 61-90 days = 1 request Privacy Act Total 445 requests: within 30 days = 340 requests 31-60 days = 100 requests 61-90 days 5 requests	2007–08 2008–09 2009–10	0 0 0	362 362 362
			Total	**410**	**410**	**362**			**Total 2007-08** **Total 2008-09** **Total 2009-10**	**800** **800** **800**	**2,878** **2,074** **2,074**

(1) Costs are not estimated full costs. Instead, they represent direct costs for NPB.

** The total user fees collected during the year was $40.00.*

Table 6B: Policy on Service Standards for External Fees

A. External Fee	Service Standard	Performance Result	Stakeholder Consultation
Pardon User fee ($50.00)	Under development	In 2006/07, the average process time for pardon applications was 13 months. For cases involving summary convictions only, the average process time was 5 months. In terms of program effectiveness, 96% of all pardons awarded remain in force, demonstrating that the vast majority of pardon applicants remain crime free.	As part of the business plan for pardons, the Board plans to hold consultations on the user fees in the 2008/09 fiscal year. These consultation will set the stage for service standards for processing pardon applications by April 1, 2009.
Fees charged for the processing of access requests filed under the *Access to Information Act (ATIA)*	Response proved within 30 days following receipt of request, the response time may be extended pursuant to section 9 of the *ATIA*. Notice of extension to be sent within 30 days after receipt of request. The *Access to Information Act* provides fuller details: http//loijustice.gc.ca/en/A-1/.	Response times 100% within Performance Standard: *Access to Information Act* Total 16 requests: within 30 days = 13 requests 31-60 days = 2 requests 61-90 days = 1 request *Privacy Act* Total 445 requests: within 30 days = 340 requests 31-60 days = 100 requests 61-90 days = 5 requests.	The service standards are established by the *Access to Information Act and Regulations.*

4. Financial Statements

National Parole Board
Statement of Management Responsibility

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2007 and all information contained in this report rests with the National Parole Board management. These financial statements have been prepared by management in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfil its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the Board's financial transactions. Financial information submitted to the *Public Accounts of Canada* and included in the Board's *Departmental Performance Report* is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the *Financial Administration Act,* are executed in accordance with prescribed regulations, within Parliamentary authorities, and are properly recorded to maintain accountability of Government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout the Board.

The financial statements of the Board have not been audited.

Mario Dion
Chairperson
Ottawa, Canada
August 21, 2007

Serge Gascon
Senior Financial Officer

National Parole Board

Statement of Operations *(Unaudited)*

For the Year Ended March 31

(in thousands of dollars)

	2007	2006
Expenses (Note 4)		
Conditional release decisions	38,366	42,956
Conditional release openness and accountability	7,591	6,713
Pardons decisions and clemency recommendations	3,976	3,619
Total Expenses	**49,933**	**53,288**
Revenues (Note 5)		
Conditional release decisions	1	3
Conditional release openness and accountability	-	1
Pardons decisions and clemency recommendations	969	713
Total Revenues	**970**	**717**
Net Cost of Operations	**48,963**	**52,571**

The accompanying notes form an integral part of these financial statements.

National Parole Board
Statement of Financial Position *(Unaudited)*
At March 31
(in thousands of dollars)

	2007	2006
ASSETS		
Financial Assets		
Accounts receivable and advances (Note 6)	496	148
Total financial assets	**496**	**148**
Non-financial assets		
Prepaid expenses	255	139
Tangible capital assets (Note 7)	3,331	4,218
Total non-financial assets	**3,586**	**4,357**
TOTAL	**4,082**	**4,505**
LIABILITIES		
Accounts payable and accrued liabilities	3,295	3,606
Vacation pay and compensatory leave	1,389	1,419
Deferred revenue (Note 8)	351	346
Employee severance benefits (Note 9)	5,996	5,581
	11,031	**10,952**
EQUITY OF CANADA	**(6,949)**	**(6,447)**
TOTAL	**4,082**	**4,505**

Contingent liabilities (Note 10)

The accompanying notes form an integral part of these financial statements

National Parole Board

Statement of Equity of Canada *(Unaudited)*

At March 31

(in thousands of dollars)

	2007	2006
Equity of Canada, beginning of year	**(6,447)**	**(1,882)**
Net cost of operations	(48,963)	(52,571)
Current year appropriations used (Note 3)	43,346	42,841
Services received without charge from other government departments (Note 11)	5,263	5,500
Revenue not available for spending	(983)	(730)
Change in net position in the Consolidated Revenue Fund (Note 3)	835	395
Equity of Canada, end of year	**(6,949)**	**(6,447)**

The accompanying notes form an integral part of these financial statements.

National Parole Board
Statement of Cash Flow *(Unaudited)*
For the Year Ended March 31

(in thousands of dollars)

	2007	2006
Operating activities		
Net cost of operations	48,963	52,571
Non cash items:		
Amortization of tangible capital assets	(1,572)	(870)
Services received without charge from other departments	(5,263)	(5,500)
Loss on disposal and write-off of tangible capital assets	(1)	(4,928)
Variations in Statement of Financial Position:		
Increase in liabilities	(79)	(564)
Increase (decrease) in financial assets	348	(280)
Increase (decrease) in prepaid expenses	116	(130)
Cash used by operating activities	**42,512**	**40,299**
Capital investment activities		
Acquisitions of tangible capital assets (Note 7)	688	2,211
Proceeds from disposal of tangible capital assets	(2)	(4)
Cash used by capital investment activities	**686**	**2,207**
Financing activities		
Net Cash Provided by Government	**43,198**	**42,506**

The accompanying notes form an integral part of these financial statements.

National Parole Board
Notes to the Financial Statements *(Unaudited)*

1. Authority and Objectives

Although the National Parole Board (NPB) is a federal government department, it is an independent administrative tribunal responsible for making decisions about the timing and conditions of release of offenders to the community on various forms of conditional release. The Board also makes pardons decisions, and recommendations for clemency through the *Royal Prerogative of Mercy*.

Legislation governing the Board includes the *Corrections and Conditional Release Act (CCRA)*, the *Criminal Records Act (CRA)*, and the provisions of the *Criminal Code*. The *CCRA* empowers the Board to make conditional release decisions for federal offenders and offenders in provinces and territories without their own parole boards. Provincial Boards currently exist in Quebec, Ontario and British Columbia. The *CRA* entitles the Board to issue, grant, deny or revoke pardons for convictions under federal acts or regulations. The Governor General or the Governor in Council exercises authority regarding the use of the *Royal Prerogative of Mercy* for those convicted of a federal offence in all jurisdictions based on investigations by the Board and recommendations provided to the Solicitor General of Canada.

The Board has three strategic outcomes which are the cornerstones of its public accountability and reporting of results. They are:

1) Conditional release decisions which contribute to public protection through safe reintegration of offenders in the community;
2) Open and accountable conditional release processes that ensure active involvement and engagement of victims of crime and the public, before and after conditional release decisions are made; and,
3) Pardon decisions and clemency recommendations, which contribute to public protection and support the process of rehabilitation.

2. Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with Treasury Board accounting policies, which are consistent with Canadian generally accepted accounting principles for the public sector.

Significant accounting policies are as follows:

(a) Parliamentary appropriations – the Board is financed by the Government of Canada through Parliamentary appropriations. Appropriations provided to the Board do not parallel financial reporting according to generally accepted accounting principles since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the statement of operations and the statement of financial position are not necessarily the same as those provided through appropriations from Parliament. Note 3 provides a high-level reconciliation between the two bases of reporting.

(b) Net Cash Provided by Government – The Board operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by the Board is deposited to the CRF and all cash disbursements made by the Board are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions with other departments of the federal government.

2. Summary of Significant Accounting Policies (continued)

(c) Change in net position in the Consolidated Revenue Fund is the difference between the net cash provided by Government and appropriations used in a year, excluding the amount of non-respendable revenue recorded by the Board. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.

(d) Revenues:

- Revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenues.
- Revenues that have been received but not yet earned are presented as deferred revenues. These revenues are recognized in the period in which the related expenses are incurred.

(e) Expenses – Expenses are recorded on the accrual basis:

- Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.
- Services provided without charge by other government departments for accommodation, the employer's contribution to the health and dental insurance plans, worker's compensation and legal services are recorded as operating expenses at their estimated cost.

(f) Employee future benefits:

- Pension benefits: Eligible employees participate in the Public Service Superannuation Plan, administered by the Government of Canada. The Board's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. Current legislation does not require the Board to make contributions for any actuarial deficiencies of the Plan.
- Severance benefits: Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

(g) Accounts receivable are stated at amounts expected to be ultimately realized; a provision is made for receivables where recovery is considered uncertain.

(h) Contingent liabilities – Contingent liabilities are potential liabilities, which may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

2. Summary of Significant Accounting Policies (continued)

(i) Tangible capital assets – All tangible capital assets and leasehold improvements having an initial cost of $1,000 or more are recorded at their acquisition cost. The department does not capitalize intangibles, works of art and historical treasures that have cultural, aesthetic or historical value, assets located on Indian Reserves and museum collections.

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

Asset Class	Amortization period
Machinery and equipment	3 to 5 years
Informatics hardware	3 years
Informatics software	3 to 5 years
Other equipment	15 years
Motor vehicles	7 years
Leasehold Improvements	Term of lease
Assets under construction	Once in service, in accordance with asset type

(j) Measurement uncertainty — The preparation of these financial statements in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are the liability for employee severance benefits and the useful life of tangible capital assets. Actual results could differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

3. Parliamentary Appropriations

The National Parole Board receives all of its funding through annual Parliamentary appropriations. Items recognized in the statement of operations and the statement of financial position in one year may be funded through Parliamentary appropriations in a prior year, current or a future year. Accordingly, the Board has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

National Parole Board
Notes to the Financial Statements *(Unaudited)*

a) Reconciliation of net cost of operations to current year appropriations used:	2007	2006
	(in thousands of dollars)	
Net cost of operations	48,963	52,571
Adjustments for Items affecting net cost of operations but not affecting appropriations:		
Add (Less):		
Services received without charge	(5,263)	(5,500)
Write-down of capital assets	(3)	(4,932)
Employee severance benefits	(415)	(943)
Amortization of tangible capital assets	(1,572)	(870)
Justice legal fees	(184)	(218)
Prepaid expenses previously charged to appropriation	(114)	(182)
Vacation pay and compensatory leave	30	(173)
Revenue not available for spending	983	730
Other	1	94
	42,426	40,577
Adjustments for items not affecting net cost of operations but affecting appropriations:		
Add: Acquisitions of capital assets	688	2,211
Prepayments	232	53
Current year appropriations used	**43,346**	**42,841**

b) Appropriations provided and used		
Vote 50 - Program expenditures	40,319	38,546
Statutory amounts	4,994	5,207
Total appropriations provided	**45,313**	**43,753**
Less:		
Appropriations available for future years	2	1
Lapsed appropriations: Program expenditures	1,965	911
Current year appropriations used	**43,346**	**42,841**

c) Reconciliation of net cash provided by Government to current year appropriations used		
Net cash provided by Government	43,198	42,506
Revenue not available for spending	983	730
	44,181	43,236
Change in net position in the Consolidated Revenue Fund		
Variation in financial assets	(348)	280
Variation in accounts payable and accrued liabilities	(311)	(900)
Variation in deferred revenue	5	346
Other	(181)	(121)
	(835)	(395)
Current year appropriations used	**43,346**	**42,841**

4. Expenses

The following table presents details of expenses by category:

	2007	2006
	(in thousands of dollars)	
Personnel	37,907	37,063
Professional and other services	3,378	3,637
Accommodation	2,550	2,700
Travel	2,454	2,284
Amortization expense	1,572	870
Materials and supplies	856	776
Telecommunication services	345	359
Purchased repair and maintenance	240	54
Postage, freight, express, and cartage	236	212
Rentals	193	174
Relocation	105	129
Miscellaneous expenditures	94	98
Loss on write-off of tangible capital assets (Note 7)	3	4,932
Total	**49,933**	**53,288**

5. Revenues

The following table presents details of revenue by category:

	2007	2006
	(in thousands of dollars)	
Pardon service fees	969	713
Other	1	4
Total	**970**	**717**

6. Accounts Receivable and Advances

The following table presents details of accounts receivable and advances:

	2007	2006
	(in thousands of dollars)	
Receivables from other Federal Government departments and agencies	472	58
Receivables from external parties	19	85
Employee advances	5	5
Total	**496**	**148**

National Parole Board
Notes to the Financial Statements *(Unaudited)*

7. Tangible Capital Assets
(in thousands of dollars)

Cost	Machinery & equipment	Informatics hardware	Informatics software	Other equipment	Motor vehicles	Leasehold improvements	Assets under construction	Total
Opening Balance	357	2,402	2,943	897	533	88	-	7,220
Acquisitions & Transfers	61	194	127	200	71	10	25	688
Disposals & Write-offs	18	330	-	3	24	-	-	375
Closing Balance	400	2,266	3,070	1,094	580	98	25	7,533
Accumulated amortization								
Opening Balance	243	1,769	308	404	252	26	-	3,002
Amortization	44	368	997	58	69	36	-	1,572
Disposals & Write-offs	17	330	-	2	23	-	-	372
Closing Balance	270	1,807	1,305	460	298	62	-	4,202
2007 Net Book Value	130	459	1,765	634	282	36	25	3,331
2006 Net Book Value	114	633	2,635	493	281	62	-	4,218

Amortization expense for the year ended March 31, 2007 is $1,572 (2006 - $870).

8. Deferred Revenue

Deferred revenue represents the balance at year-end of unearned revenue stemming from the collection of pardon fees upon receipt of the application. While the fees are received with the application, revenue is recognized only once the screening for eligibility and completeness is carried out.

	2007	2006
	(in thousands of dollars)	
Opening balance	346	-
Pardon fees received	1,238	372
Fees returned	(264)	(10)
Revenue recognized	(969)	(16)
Closing balance	**351**	**346**

9. Employee Benefits

(a) Pension benefits: The Board's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Quebec Pension Plans benefits and they are indexed to inflation.

Both the employees and the Board contribute to the cost of the Plan. The 2006-07 expense amounts to $ 3,677,549 ($ 3,845,235 in 2005-06), which represents approximately 2.2 times (2.6 times in 2005-06) the contributions by employees.

The Board's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

(b) Severance benefits: The Board provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations. Information about the severance benefits measured as at March 31, is as follows:

	2007	2006
	(in thousands of dollars)	
Accrued benefit obligation, beginning of year	5,581	4,637
Expense for the year	1,016	1,269
Benefits paid during the year	(601)	(325)
Accrued benefit obligation, end of year	**5,996**	**5,581**

10. Contingent liabilities

Claims have been made against the Board in the normal course of operations (conditional release decisions). Legal proceedings for 23 claims in relation to victims, victims' families and offenders totalling approximately $ 85.0 M were still pending as at March 31, 2007 ($ 82.0 M in 2006). The potential liabilities arising from the cases pending at March 31, 2007 are considered to be minimal by management as the Board is an independent administrative tribunal and is provided with an immunity clause (Section 154) in the *Corrections and Conditional Release Act* making the likelihood of future loss negligible. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. The existence and amount of liability depend upon the future outcome of these claims, which are not currently determinable. No accrual for this contingency has been made in the financial statements.

11. Related party transactions

The Board is related as a result of common ownership to all Government of Canada departments, agencies and Crown corporations. The Board enters into transactions with these entities in the normal course of business and on normal trade terms. Also during the year, the Board received services, which were obtained without charge from other Government departments as presented in part (a).

(a) Services provided without charge:

During the year the Board received without charge from other departments, accommodation, legal fees and the employer's contribution to the health and dental insurance plans and worker's compensation. These services without charge have been recognized in the Board's Statement of Operations as follows:

	2007	2006
	(in thousands of dollars)	
Accommodation	2,550	2,700
Employer's contribution to the health insurance plan, dental insurance plan and workers compensation	2,416	2,300
Legal services	297	500
Total	**5,263**	**5,500**

The Government has structured some of its administrative activities for efficiency and cost-effectiveness purposes so that one department performs these on behalf of all without charge. The cost of these services, which include payroll and cheque issuance services provided by Public Works and Government Services Canada are not included as an expense in the Board's Statement of Operations.

11. Related party transactions (continued)

(b) Payables and receivables outstanding at year-end with related parties:

	2007	2006
	(in thousands of dollars)	
Accounts receivable with other Federal Government departments and agencies	472	58
Accounts payable to other Federal Government departments and agencies	360	1,214

12. Comparative Information

Comparative figures have been reclassified to conform to the current year's presentation.

13. Subsequent Events

(a) Transfer of Information Technology (IT) Function to Correctional Services Canada (CSC):

As of 2007/08, the responsibility for the provision of IT services for the National Parole Board (NPB) will be transferred to the Information Management Services (IMS) Branch of CSC.

CSC and NPB play important, unique, discrete, and complementary roles in the Canadian criminal justice system; both agencies are key partners in the Public Safety Canada portfolio. For CSC and NPB, the synergies inherent in the shared responsibility for program delivery offer a unique collaborative opportunity to partner in the provision of IT support. Since 1996, NPB and CSC have collaborated in a "shared technology environment", which has evolved to include multiple issue-specific protocols to address various needs. Current conditions offered an excellent opportunity to strike a broader form of IT integration which lead to the decision to transfer the IT function.

NPB will transfer all of its IT salary resources in the amount of $ 1.5 M as well as $ 1.1 M in non-salary and all of its current IT assets, (Net Book Value of $ 2.3 M) to CSC. CSC will be responsible for the recording, annual inventory, maintenance and lifecycle replacement of these assets in the future.

(b) British Columbia (BC) Board of Parole:

As of April 1st 2007, the NPB assumes parole decision-making responsibilities for provincial offenders in BC. Funding in the amount of $ 1.7 M annually starting in fiscal year 2007-2008 has been provided through the Estimates for the reversion of paroling authority to the federal government.

Section IV: Other Items of Interest

1. Legislation Administered by the National Parole Board

The Minister has sole responsibility to Parliament for the following Acts:	
Corrections and Conditional Release Act	S.C. 1992, c.20, as amended by S.C. 1995, c.42, S.C. 1997, c.17 and its Regulations
Criminal Records Act	R.S. 1985, c.C-47
The Minister shares responsibility to Parliament for the following Acts:	
Criminal Code	R.S. 1985, c. C-46
Prisons and Reformatories Act	R.S. 1985, c. P-20
Letters Patent constituting the Office of Governor General of Canada (1947)	Canada Gazette, 1947, Part I, Vol. 81, p. 3104, reprinted in R.S. 1985, Appendix II, No. 31

2. Contacts

National Office	Director, Communications 410 Laurier Avenue West Ottawa, ON K1A 0R1	 Phone: (613) 954-6547 Fax: (613) 957-3241
Atlantic Region	Regional Director 1045 Main Street Unit 101 Moncton, NB E1C 1H1	 Phone: (506) 851-6345 Fax: (506) 851-6926
Quebec Region	Regional Director 200 René-Lévesque Blvd. W. 10th Floor, Suite 1001 - West Tower Montreal, QC H2Z 1X4	 Phone: (514) 283-4584 Fax: (514) 283-5484
Ontario Region	Regional Director 516 O'Connor Drive Kingston, ON K7P 1N3	 Phone: (613) 634-3857 Fax: (613) 634-3861
Prairies Region	101 – 22nd Street East 6th Floor Saskatoon, SK S7K 0E1	 Phone: (306) 975-4228 Fax: (306) 975-5892
	Regional Director Scotia Place, Scotia 2, 401 - 10060 Jasper Avenue Edmonton, AB T5J 3R8	 Phone: (780) 442-6770 Fax: (780) 495-3475
Pacific Region	Regional Director 32315 South Fraser Way Room 305 Abbotsford, BC V2T 1W6	 Phone: (604) 870-2468 Fax: (604) 870-2498

The National Parole Board's internet site address is: http://www.npb-cnlc.gc.ca/